

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
INTERMOUNTAIN GAS COMPANY FOR AN)	CASE NO. INT-G-03-2
ORDER AUTHORIZING THE ISSUANCE AND)	
SALE OF SECURITIES)	
<hr/>	ORDER NO. 29413

On December 15, 2003, Intermountain Gas Company (IGC) filed an Application for an Order authorizing the issuance and sale of securities in Case No. INT-G-03-2. The Application requests Commission authority to enter into a renegotiated senior revolving line of credit agreement with Wells Fargo, N.A., not to exceed \$35,000,000, for a period of three years. The proceeds will continue to be used to refinance existing indebtedness, provide for working capital, deferred gas costs and general corporate purposes including interim construction financing and medium term needs prior to the issuance of long-term debt. This dollar amount is an increase of \$10,000,000 from the \$25,000,000 currently authorized by Order No. 28672 through December 15, 2005. The term of the new agreement is three years from the date the agreement is executed. IGC will continue to make quarterly reports to the Commission showing balances outstanding and the interest rate.

The interest rate will be based on London Interbank Offered Rates (LIBOR) or a Base Rate defined as the higher of Wells Fargo Bank's Prime Rate or the Federal Funds Rate plus 0.5% depending on the capitalization ratio of IGC at that time. There also continues to be an unused fee to help IGC minimize the total cost of the credit line. IGC's common equity ratio as of September 30, 2003 is 49.6%.

The Commission, having fully considered the Application, attached exhibits, its files and records relating to this Application and the applicable laws and rules, grants the Company's request.

FINDINGS OF FACT

Intermountain Gas Company is an Idaho corporation with its office and principal place of business in Boise, Idaho. The Company is a natural gas public utility, owning and operating transmission pipelines, a compressor station, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment.

IGC requests Commission authority to enter into a renegotiated senior revolving line of credit agreement with Wells Fargo, N.A., not to exceed \$35,000,000, for a period of three years from

the date the agreement is executed. This dollar amount is an increase of \$10,000,000 from the \$25,000,000 currently authorized by Order No. 28672 and would extend the authority beyond December 15, 2005. *Id.* The Company shall continue to use the proceeds to refinance existing indebtedness, provide for working capital, deferred gas costs and general corporate purposes including interim construction financing and medium term needs prior to the issuance of long-term debt. The term of the new agreement is three years from the date the agreement is executed. IGC will continue to make quarterly reports to the Commission showing balances outstanding and the interest rate.

CONCLUSIONS OF LAW

Intermountain Gas Company is a gas corporation within the definition of *Idaho Code* § 61-117 and is a public utility within the definition of *Idaho Code* § 61-129.

The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* § 61-901 *et seq.*, and the Application reasonably conforms to Rules 141-150 of the Commission's Rules of Procedure (IDAPA 31.01.01-.141-.150).

The general purposes to which the proceeds will be put are lawful under the Public Utility Law of the State of Idaho and are compatible with the public interest. However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of IGC which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes. The Idaho Public Utilities Commission does not have before it for determination, and therefore does not determine, any effect of the proposed transactions on rates to be charged by IGC for natural gas to consumers in the State of Idaho.

All lawful fees have been paid by Intermountain Gas as provided by *Idaho Code* § 61-905.

ORDER

IT IS THEREFORE ORDERED that Intermountain Gas Company's request for Commission authority to enter into a renegotiated senior revolving line of credit agreement with

Wells Fargo, N.A., not to exceed \$35,000,000 is granted for a period of three years from the date the agreement is executed. This dollar amount is an increase of \$10,000,000 from the \$25,000,000 currently authorized by Order No. 28672 and would extend the authority beyond December 15, 2005. *Id.* The Company shall continue to use the proceeds to refinance existing indebtedness, provide for working capital, deferred gas costs and general corporate purposes including interim construction financing and medium term needs prior to the issuance of long-term debt.

IT IS FURTHER ORDERED that the authority granted will be from the date of this Order and will expire on the maturity date of this newly authorized line of credit, but in no case shall this authority extend later than January 20, 2007.

IT IS FURTHER ORDERED that Intermountain Gas Company shall make quarterly reports to this Commission setting forth the date of issuance, principal amount, interest rate, date of maturity and identity of payee for any revolving note issued each quarter.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuation, estimates, or determination of cost or any other matter that may come before this Commission pursuant to this jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provision of Chapter 9, Title 61, Idaho Code, or Commission Rules 141-150, or any act or deed done or performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code and Commission Rules 141-150.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of Intermountain Gas Company's exhibits or other material accompanying this Application for any other purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7th
day of January 2004.



PAUL KJELLANDER, PRESIDENT

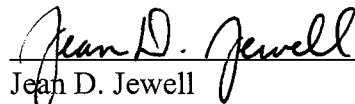


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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